Govt. Press—37,604—19-11-45.

Development (1946) Department.

MS SERIES.

Passed

G.O. No. 969

969

Dated 5-3-46

[Despatch Abstract.]

Industries - Sericulture - Silk worm

Cocoons for silk filatures & K[illegible]

Payment of enhanced rate - Sanc[illegible]

D/46
21.2.46

Director of Industries and Commerce
Madras, dated 20th February 1946.

D.O.

My dear Sivasankar,

Sub. Industries - Sericulture - Madras: Silkworm Cocoon Control Order, 1945 Smuggling of cocoons from Kollegal area into Mysore State - Prevention Increase in prices of cocoons - Proposals - Submitting.

Will you please refer to my D.O. dated 10th January 1946 regarding the need for increasing the price of cocoons to prevent their being smuggled out of the Kollegal area. You may recollect that I also spoke to you in the matter subsequently.

I enclose for the information of Government a copy of a D.O. since received by me under the joint signatures of Jankiraman and Raman describing the present cocoon position in Kollegal and explaining the need for quick action being taken to meet the situation. You will observe that in spite of all precautionary measures taken by the Sericultural Section in co-operation with the Police and the Revenue Department, it has been found impossible to stop the outflow of cocoons from the Kollegal area. The quantity of cocoons transacted in the cocoon markets has considerably dwindled, and if this state of affairs continues for any length of time, the filatures may have to be closed down very soon for want of cocoons.

I generally agree with Jankiraman and Raman

that

that the price of cocoons should be increased without delay. I suggest, however, that in the first instance an increase of 75 per cent over and above the sliding scale of prices for cocoons fixed under the Madras Silkworm Cocoon Control Order, may be allowed. On this basis, the price of basic quality cocoons viz., 18:1 will work out to Rs.2-1-3 (Rs.1.3.0 plus 0-14-3). This I consider is sufficient for the present, since the difference of 25% between the price of cocoons in Mysore and Madras will cover the risk and expense involved in smuggling the cocoons into the Mysore State. I have no doubt the rearers will not venture to take undue risks for this small margin.

I may point out that the present crisis in the cocoon position was brought about by the Government of India's failure to stop the Mysore Government from repealing their Cocoon Control Order and their failure to compel Mysore's adherence to the ceiling prices for filature silk notified by them. In the circumstances, it has become imperative that Madras should act promptly by increasing the rates for cocoons though this means deviation from the ceiling prices for filature silk fixed by India. If this is not done at once, the filatures will have to be closed down and the attendant consequences of discharging labour force. I request therefore that sanction of Government may be obtained immediately for the payment to the rearers at a rate 75% above the sliding scale of prices for cocoons until such time as the position improves.

Yours sincerely,

(sd.)A.Khaleeli.

Forwarded/By order.

Personal Assistant 21.3.46

T.Sivasankar, Esq., I.C.S,
Secretary to Government,
Development Department, Madras.

The price per lb. for basic quality of cocoons viz., 18 : 1 will be Rs.1-3-0 plus Rs.1-3-0 or Rs.2-6-0. Even this may be slightly on the low side when compared to the prevailing rates in Mysore. This increase in cocoon prices would natrually result in our inability to sell our silk at the ceiling prices fixed by Government of India which are being followed for our sales now. The ceiling rates should therefore be correspondingly increased. We would suggest however that the rates may be fixed under the H.P.P.O. viz., cost of production plus 6¼% as in Mysore for filature silk.

~~In effect, our present proposals would have to fall in line with the Mysore position in which we are placed in Kollegal. The Government of India are to be requested immediately pointing out our helpless situation in regard to the rates of Mysore silk as compared to the prices of silk as accepted above under H.P.P.O.~~

The sliding scale of prices now in force may be continued but with the increase of 100% in prices as an emergency measure to cope with the situation. When prices of cocoons show a definite downward trend in Mysore, we would immediately appraise you of the same and recommend suitable revision to the 100% formula.

On the basis of the above proposals, the selling price of filature silk per lb. of 24/28 denier will be approximately as follows:

Assuming an average filature rendita of 20 : 1 during this season with purchases at 18 : 1 rendita at the basic rate of Rs.2-6-0 a lb.

		Rs.	A.	P.
Cost of cocoons per lb. of silk (Rs.2-6-0 x 20)		47	8	0
Cost of manufacture (approximate)		8	0	0
		55	8	0
Less silkwaste.	..	2	0	0
Net cost of production.	..	53	8	0
Add 6¼% profit.	..	3	6	0
		56	14	0

say Rs.57/-

This would compare with Rs.39-8-0 the rate at which 24/28 denier silk is being sold at present.

In view of the worsendd situation, we request that you may be pleased to take very immediate action in the matter viz., addres Government for enhancing the prices of cocoons by 100% over the existing prices in sliding scale and to take up the matter with Government of India (Industries and Civil Supplies Department) to remove the present ceiling prices of filautve silk and permitting the prices to be fixed on the basis of cost of production plus 6¼%.

(True Copy)

Encls: 2 Notifications relating to Mysore Government.

Copy of D.C. No.2046-S/45, dated 17th February, 1946, from the Sericultural Expert and the Manager, Kollegal Silk Filatures, Kollegal, to the Director of Industries and Commerce, Madras.

Sub: SERICULTURE - Madras silkworm cocoon control Order 1945 - Contravention - Prevention of Proposals for increase in prices of cocoons.

Ref: Our confidential D.C. dated 27-12-1945.

The cocoon position at present in Kollegal has not shown any improvement and large scale smuggling of cocoons into Mysore area continue to take place still in spite of all precautionary measures adopted by the Sericultural Staff with the help of the police and revenue departments. Our staff during the course of their vigilance work are being confronted by large hordes of smugglers who are heavily armed with weapons and are constantly exposing themselves to danger to their lives. We feel now that the creation of outposts with armed reserve police may not be effective and agree with the views expressed by the District Superintendent of Police, Coimbatore, communicated with your endorsement No.6541-D.3/45, dated 5-2-46. Also the posting of chowkidars instead of police force suggested by Government as an alternative in their Memo. No.81499-D/45-2, dated 30-1-46 may not be effective for the same reasons pointed out by the District Superintendent of Police. Actually in a recent case it is reliably gathered that the local police were found to be in league with the smugglers of cocoons.

The price level of cocoons in Mysore continues to be high and at present ranges from Rs.2-8-0 to Rs.3/- per lb. Since the revision of the prices of filature silk in Mysore as already intimated in our D.O. referred to above Viz., actual cost plus 6% profit, the Controller of Civil Supplies, Mysore, has, as a result of persistent clamour on the part of charka reelers for an increase in prices reduced the profit element of Rs.3/- allowed to dealers of silk to Re.1/- thereby giving the balance of Rs.2/- to charka reelers. In other words, the price of charka silk in Mysore, ex-reelers' premises, has gone up by Rs.2/- per lb. This increase has naturally resulted in maintaining the high level of cocoon prices in Mysore.

The stock position of cocoons in both the filautres here has been rapidly going down as the purchases of cocoons in markets have practically dwindled on account of the foregoing reasons in spite of the fact that the number of basins working has been reduced considerably in both the filatures. The total stock to-day is only about 70,000 lbs. and even with the reduced number of basins working now, it will last only for another fortnight. The Filatures will therefore be forced to close down for a period which cannot be precisely indicated at present unless conditions relating to the supply of cocoons are improved. The closure of filatures will have serious repurcussions on the morale of labour and this, coupled with the present critical food situation in Kollegal, will further aggravate the situation. In the event of closure of filatures, the labour will have to be paid half wages for a period of three months resulting in unnecessary loss to Government also.

During your recent camp at Kollegal early in January 1946, you had proposed a specific addition of 4 annas per lb. of cocoon in response to the representations of silkworm rearers in the Kollegal area. Unfortunately, the present conditions are such that this increase will not in any way help matters as there will still be a big difference in prices in Kollegal and Mysore areas and it is our definite opinion that the only solution to the present difficulty is to keep our prices too to approximate those in Mysore. This would mean an increase of 100% to the schedule of prices fixed under the Madras Silkworm Cocoon Control Order, 1945.

NOTIFICATION.

No.D.915-Seri.7-45-4, dated Bangalore, the 8th August 1945.

In exercise of the powers conferred by Rule 81(2) of the Defence of India Rules, as applied to Mysore, the Government of His Highness the Maharaja are pleased to hereby cancel the Cocoon Control Order, 1943, issued with Notification No.D.6163-Seri.24-42-13, dated the 22nd March 1943 together with all its ammendments issued from time to time.

(Sd.) J.B. MILLARDHY.,
Additional Secretary to Government.

(True Copy).

Copy of Government Notification No.C.648-Co. 36-45-3,
dated Bangalore, the 12th December 1945.

The Government of His Highness the Maharaja are pleased to supersede, as a temporary measure, their Notification No.D.3979-Seri.115-43-61, dated the 21st November 1945, fixing the maximum prices for sale of filature silk. They are further pleased to direct that action be taken to fix the prices of filature silk on reasonable basis under Section 6 of the Hoarding and Profiteering Prevention Act.

H.V.Ganapati Aiyer, Civil Supplies Secy.

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2. Copy of the Notification dated 12-12-1945 by the Controller of Civil Supplies.

Office of the Controller of Civil Supplies in Mysore,
Bangalore.

Notification dated 12th December 1945.

--

No.S.1032-45-6. It is hereby notified for public information that in exercise of the powers conferred under Section 6 of the Hoarding and Profiteering Prevention Act, 1944, and in accordance with the proviso to sub-section (2) of Section 6 of the Act and for the purpose of determining the maximum prices which a dealer or

producer

producer of filature raw silk, may charge under clauses (b) and (c) of that sub-section; the undersigned hereby sanctions the following percentage addition as reasonable:

(i) For sale of Filature raw silk by a producer 6¼ per cent on the cost of production of the filature silk, such cost of production being determined as the average rate per lb. based on the manufacturing expenses, the actual value of cocoons utilised for manufacture and the production of filatures silk of all deniers (other than douppion) secured therefrom, during the calendar month immediately previous to the date of sale:

(ii) Where the sale is by a dealer, 6¼ per cent on the producer's price:

Provided that where the seller has paid octroi or any other local tax, he may recover the amount thereof from the purchaser.

H.V.Ganapati Iyer,
Controller of Civil Supplies.

(True Copy)

11/2
Supdt.

Dw. Dem

Minute 1½ 22/2

Express Telegram No. 1403-D/46-1d 22-2-46

To Suplid ~~Simla~~ New Delhi

Secy to Govt of India
Dept of Labour & Supply
New Delhi

Unilateral action of Mysore Govt in ~~Repeal of~~ Cocoon Control order and failure to adopt ceiling prices fixed by central Govt for Silkware Silk have resulted in (an) abnormal increase in prices of Cocoons in Mysore Stop Extensive Smuggling of Cocoons from Kollegal to Mysore State consequently exists Handicapping working of Silk Weaving Kollegal Stop Closure of Kollegal factories apprehended if supply of Cocoons does not improve Stop Madras Govt propose temporarily increasing price of Cocoons

All precautionary measures hitherto failed to stop outflow

1 JUL 1946
DEVELOPMENT DEPARTMENT

15798 hs/bs

16/45 for 18/44

MYLAPORE
TEL 28-EE 46

& 000 ad- new delhi 28 she
immdte 87
immdt Deptment dely e secretary
to the govt- of m.o. devel
opment dept London madam a
singapulkhi madam a
M.S. 10 attended 921- ta/46 yr telegram
14030 d/46-1 of 22nd
feby about silk prices
we regret we cannot
agree to an increase
in ceiling prices so
recently fixed we are

E.—M(2).

SECTIONAL MAIL LIST from to

DUE MAILS: total number despatched (*vide* details below). Total
UNUSUAL MAILS: total number despatched (*vide* details below). } = —

DETAILS OF DUE AND UNUSUAL MAILS.

Office of despatch (for purposes of number, in case of special bags).	Office of destination (or designation of addressee, in the case of special bags).	DUE MAILS.				UNUSUAL MAILS.			
		Transit bags.	Mail bags.	Branch office bags.	Loose account bags.	Parcel bags.	Packet bags.	Special bags.	Telegraph covers.
Station containing [illegible]	[illegible]	...	...	...	...	...	...	...	...
Total ...									

Explanation of any discrepancy between the number of due mails despatched and the number due to be despatched as entered in the sorting list.

Excess despatched. | Short despatch.

GRAND TOTAL

Blank parcel list

J12-1271/RS&C.

Lal Chand & Sons, Printers, Calcutta—No. 15262(5141/A-772)—18.12.44—1,00,000.

MYLAPORE TEL 28FEB 46

(are) informing my Govern-
ment similarly in response
to a similar request from
them and this may well
go to solve the difficult-
ies which are the subject
of your telegram we
consider this matter deser-
ves discussion and
will shortly propose dates
to you = Supplind

Endt. 14030/46-d
Communicated to the D.D.G.

Dy Dept Mpn

D.D.G. P.T.C. 13/2/46.

SECTIONAL MAIL LIST from to

Total

DUE MAILS: total number despatched (*vide* details below)

UNUSUAL MAILS: total number despatched (*vide* details below).

Explanation of any discrepancy between the number of due mails despatched and the number due to be despatched as entered in the sorting list

Excess despatched | Short despatched

DETAILS OF DUE AND UNUSUAL MAILS

Office of despatch (or Establishing of sender, in the case of special bags).	Office of destination (or designation of addressee, in the case of special bags).	Due Mails.				Unusual Mails.			
		Transit bags.	Mail bags.	Branch office bags.	Loose account bags.	Parcel bags.	Packet bags.	Special bags.	Telegraph covers.
Name preceding	Serial number bags ...	...	...	...	...	...	...	...	...
	Total								

GRAND TOTAL ...

Blank parcel list

H.O.

(Illegible)

...Lal Chand & Sons, Printers, Calcutta—No. 15262 (5141/A-7781)—18-12-44—1.00.

Dev. Dept.

Confidential

Sub: Industries - Sericulture - Silkworm Cocoons - Permit in favour of Sri Ramaswamy Kollegal - Payment of cess in enhanced rate - Hardware ... to ...

H 7-8 of (2) Ref. again: G.O. No. 814 Ms. Dev. d. 21.2.46

H 1-2 of Ref. also from the DZSC, No. Nil, d. 20.2.46

Order No. 9691 Ms. Dev. dated 5-3-46

In modification of the orders issued in the G.O. cited, the Government permit the DZSC temporarily to pay a bonus

H 7-8 of (2) of 75% over the sliding scale of prices notified under the Mysore Silkworm Cocoon Control

Mentioned of Order, 1945, for purchase of Cocoons made in the Kollegal area. He is also permitted to buy Cocoons in Mysore and in Kollegal at the

on 46 of prevailing market rate in Mysore if he is satisfied that adequate quantities of Cocoons are not available on an extra payment of

Subject

To the Dist

P.T.C

A.G. Mus & Dte

Copy to S.F.

Dpdt as mentioned above

S.F.

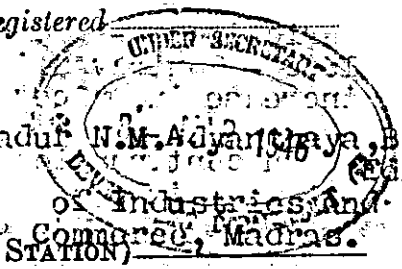
5.3.46

C14030 D/46.

C.F. 32 (a). Industries and Commerce. DEPARTMENT.

In reply, please quote number, date and short title.

Received *Registered*



From (Name) Sri Rao Bahadur N.M.Adyanthaya, B.Sc,

(Designation) Director of Industries and Commerce, Madras.

Post Box ——, (Station) ——

Telegraphic Address.

15823 D/4

To

The Secretary to Government,
Development Department.

D.3 *No.* 6451-/45, *dated* 28th February *1946*,

Sir,

Sub: Industries - Sericulture - Madras Silk worm cocoon (control) order, 1945- Smuggling of cocoons from Kollegal area into Mysore State - Permission to purchase Mysore cocoons - Requested.

ENCLOSURES ——

SPARE COPIES ——

Ref 1-2 above. In continuation of Mr. Khaleeli's D.O. No.6451-D.3/45 dated 20-2-1946 to Mr.Sivasankar, I enclose a copy of a further communication received from the Sericultural Expert and the General Manager, Govt. Silk Filatures, Kollegal on the above subject. I agree that, on account of unfavourable seasonal conditions this year, affecting adversely the cocoon production in Kollegal area, it is essential that supplies of cocoons should be obtained from Mysore. Unless this is done, it will not be possible for the filatures to be run even with the reduced number of basins. I, therefore, request that Government may be pleased to pass early orders permitting the purchase of cocoons from the Mysore markets at the prevailing rates, to supplement the local production.

1.3.46

for Director of Industries and Commerce.

c.v./1.3.

18 Copy of D.O. dated 28th Feb.1946 from the Sericultural Expert, Kollegal & General Manager, G.S.F., Kollegal.

Sub: Sericulture - Madras Silkworm cocoon control Order, 1945 - Contravention - Prevention of - Proposals for increase in prices of cocoons.

In continuation of our D.O. on the subject dated 17.2.46, we wish to state, while the enhanced prices, if given effect to, will check the smuggling of cocoons into Mysore State to a great extent and enable us to purchase the Madras cocoons, we will not be able to get enough cocoons for our requirements as the present is a lean period and the unfavourable seasonal conditions this year have adversely affected the cocoon production. The expected crop in March and April 1946 is only about a lakh of pounds while the requirements of the filatures for working the reduced number of 200 basins will be about 2 lakhs. As it is very essential that the filatures should be kept going for reasons already stated in our previous letter, the deficit will have to be made up by purchases from Mysore area.

The increase in price of cocoons recommended to Government being only 75 per cent over the existing rates, there will be difference in price between Madras and Mysore areas, the price for basic quality cocoons being Rs.2-1-3 in Madras and about Rs.2-8-0 in Mysore. As there is no alternative but to give the increase prices prevailing in Mysore if the filatures are to be kept going, we request that Government sanction may kindly be obtained (along with the sanction already applied for for increase in price of cocoons) to allow the filatures to operate on the Mysore markets and purchase ~~of~~ cocoons at the prevailing rates there.

Please
Rec'd 19.3.46 Dev. Dept

Express Telegram No. 168-20-D/46-I-I-2 d. 7.3.46

11/7/3

GOI 969 DW
5.3.46

To Sapru and Colvin from Dev Dept
New Delhi

H 11-13 of (K) Your telegram D.no 92-TA/46 dated 5th February regarding Sale prices and Supply position of Cocoons for Kollegal factories seems Stop Madras Govt have therefore permitted purchase of Vide H 15-16 of (K) Cocoons temporarily at ruling Mysore rates or at seventy five percent over controlled prices Kollegal area which ever is expedient Stop Continuous working of factories essential to avert unemployment and unrest among factory labour Stop Position further delay
H 11-13 of (K) does not admit ~~of any such~~ as envisaged by you and urgent action is

proposed Conference like Mysore immediately
on accepting their proposal to modify
Ceiling prices for silk conformity to

Arrvd 19/3/46 Expres Telegram 16820 D/46 2d 19.3.46 Dev Depts

To

⊗ Secy to Govt of India Supplind ⊗ Telegram dated 9.3.46

Dept of Industries & Supplies New Delhi

My telegram 16820 D/46 Seventh March regarding

Silk prices Stop will be grateful for early telegraphic

reply.

Government

Dated 19/3/46 Recd 19/3/46 19.3.46

R 1.4.46

Doc 1 - I

2-3

Assam University

Express Telegram No. 16820 D/46-3 d. 27.3.46

27/3/45

To

Sec. to Govt. of India
Dept. of Labour & Supply
New Delhi

Shahid,
New Delhi

Please refer my telegrams 16820 D/46 Seventh and Nineteenth March regarding Ceiling prices for Sec. Stop. Trust be grateful for immediate reply. Stop. Madras Govt. apprehend heavy loss due to increased Cost of production Consequent on enhanced rates for Cocoons

Govt

C. to Govt of India
Copy to DSE

Dw. Dy

Industries - Sericulture - Prices of Cocoons.

The Government of India have controlled the prices of silk yarn and silk fabrics by notifications issued under the Hoarding and Profiteering Prevention Ordinance. The ceilings fixed by the Government of India were based on the controlled prices of silk worm cocoons which were in force in Mysore State and the Province of Madras. Recently, on the cessation of hostilities, the Govt. of Mysore repealed their control measures relating to the prices of silkworm cocoons and silk yarn. This unilateral action on the part of the Mysore Government has resulted in extensive smuggling of cocoons from the Kollegal area which adjoins the Mysore Taluk frontiers. Consequently the Madras Silk Worm Cocoon Control Order, 1945, which regulates the prices of Silk worm cocoons in the Kollegal area, has been rendered inoperative and the two Government Silk Filatures at Kollegal experience difficulty in purchasing an adequate quantity of silkworm cocoons at controlled prices. The Government of India were informed of the position and of the need for the Silk Filatures at Kollegal to purchase cocoons at rates exceeding the controlled rates which would in turn necessitate deviation from the ceiling prices fixed by them for silk yarn. The Government of India stated in reply that they could not agree to relax the ceiling prices for silk yarn and that they proposed convening a conference with the Mysore and Madras Govts. to discuss the question. In order to prevent unrest among the workers in the filatures at Kollegal, the Govt. of Madras has permitted the purchase of cocoons at rates 75% in excess of the controlled rates or at the prevailing Mysore rates, pending the results of the proposed discussions. It is apprehended that as notified ceiling prices of yarn are unrelated to the actual cost of production of silk yarn by the two Silk Filatures, continued purchase of cocoons at enhanced rates will result in heavy financial loss to the Govt. Urgent action on the part of the Govt. of India is required either to persuade or compel the Mysore Govt. to conform to controlled rates for silk worm cocoons and silk yarn or to relax the ceiling prices notified by them allowing the Govt. to sell the yarn on the basis of actual cost of product

26

The Govt. of India have ~~been slow to realise~~ not appreciated the urgency of the matter in so far as this Govt. is concerned and have not yet sent any reply to the reminder communications or this Government on the subject. It is desirable that the Member of the Govt. of India in charge of Industries and Supplies is apprised of the seriousness of the situation in this Province and requested to take speedy steps to convene the conference and settle the policy regarding prices of silk yarn and cocoons in Mysore and in Madras or to repeal their notification regarding ceiling prices of silk yarn.

H. to 2 of p 3 q

2236

FM

21354D/46

2 Pages

X MI New Delhi 29 2110 (11.2)

Government Madras Telegraphic

211-t-(1)-SK/46 from Chairman Crop Planning refer your tele no 16820-d/46-IV dated Seventh March and reminders ninetieth and twentyseventh. We note you have already permitted Kollegal factories

[illegible]

SECTIONAL MAIL LIST from to

DUE MAILS: total number despatched (*vide* details below

UNUSUAL MAILS: total number despatched (*vide* details below). Total

DETAILS OF DUE AND UNUSUAL MAILS.

Office of despatch (or designation of sender, in the case of special bags).	Office of destination (or designation of addressee, in the case of special bags).	DUE MAILS.				UNUSUAL MAILS.			
		Transit bags.	Mail bags.	Branch office bags.	Loose account bags.	Parcel bags.	Packet bags.	Special bags.	Telegraph covers.
Sacks containing	Surplus unusual bags	...	...	...	...	...	...	...	...

GRAND TOTAL

[illegible] parcel [illegible] ...

Received by [illegible]

Explanation of any discrepancy between the number of due mails despatched and the number due to be despatched as entered in the sorting list.

Excess despatched.	Short despatched.

[illegible]-1271/[illegible]

Lal Chand & Sons, Printers, Calcutta—No. 601R (5141/A-505)—10-11-48—1,00,000 Bks

75-26

Two days

factories purchase of cocoons temporarily
at ruling mysore rates or at seventyfive
percent ober controlled prices kollegal area
will be ~~over~~ experiment step under present
circumstances we agree this step proposed
silk conference in which all areas concerned
are likely to be present is expected
to be held third week april stop
if you have no objection will you
kindly address director of silk directly
should you desire to furnish corrected
in this connection before proposed
silk conference is held = Silkdir

Endt 1682D/46-5 dtd 1.4.46

Sw. Dept

Please see my note dtd 1.4.46

To the S.D.O.(H)

Referred to the S.D.O.(H) for any information

Communicated 30.3.46

To the S.D.O.(H) 30.3.46

Yours

Silkdir

1.4.46

Sw. Dept

14.4.46

TELEGRAPH OFFICE 29 MAR 46

SECTIONAL MAIL LIST from to

Total

DUE MAILS: total number despatched (*vide* details below).

UNUSUAL MAILS: total number despatched (*vide* details below).

DETAILS OF DUE AND UNUSUAL MAILS.

Office of despatch (or designation of sender, in the case of special bags).	Office of destination (or designation of addressee, in the case of special bags)	DUE MAILS.				UNUSUAL MAILS.			
		Transit bags.	Mail bags.	Branch office bags.	Loose account bags.	Parcel bags.	Packet bags.	Special bags.	Telegraph covers.
Bags containing	Surplus unusual bags ...	...	...	...	...	...	...	...	...
	Total ...								

GRAND TOTAL ...

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Explanation of any discrepancy between the number of due mails despatched and the number due to be despatched as entered in the sorting list.

Excess despatched.	Short despatched.

[illegible] (DM-1271/RS/39).

Lal Chand & Sons, Printers, Calcutta—No. 881R (8141/A-505)—10-11-42—1,00,000 Hrs.

Draft II

Please
Ve 1.4.46

75:10
1/4/46.

Express Telegram No 16820 D/46-G dt 1.4.46

To

J. The Director of Silk
Govt. of India, Silk Directorate
New Delhi

Silk Dir ✓ Telegram dated 1.4.46

New Delhi.

Chandhuri's
429-29 cf. ~~Your~~ telegram 211 t(1) SK/46 dated 2nd/3rd March regarding Silk prices stop Please confirm your concurrence to Kollegal factories selling this Silk according to Cost of Production Modifying ceiling prices stop. Will be grateful if notice and agenda of proposed Conference given in time to Madras Gah. stop. Points for discussion will be decided after Conference fixed

March 29 cf

Re: Your 429 cf

Devnani

D.O. No. 1/4/46

D.O. No. 1/4/46 ✓

1/4/46

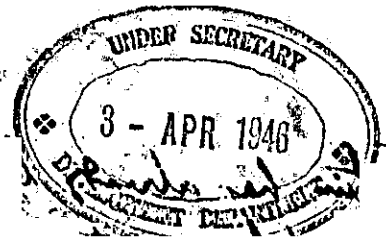
D.C. to Silk Dir, New Delhi

Copy of D.C. to Dir Sc

R 15.4.46

Draft I

TELEGRAM EXPRESS STATE



DEVMENT
MADRAS

211-TA(1)-SK/46 FROM CHAUDHURI STOP REFERENCE YOUR TELEGRAM NUMBER 16820-D/46-1 DATED SEVENTH MARCH AND REMINDERS NINETEENTH AND TWENTYSEVENTH WE NOTE YOU HAVE ALREADY PERMITTED KOLLEGAL FACTORIES PURCHASE OF COCOONS TEMPORARILY AT RULING MYSORE RATES OR AT SEVENTYFIVE PERCENT OVER CONTROLLED PRICES KOLLEGAL AREA WHICHEVER IS EXPEDIENT STOP UNDER PRESENT CIRCUMSTANCES WE AGREE THIS STOP PROPOSED SILK CONFERENCE IN WHICH ALL GOVERNMENTS CONCERNED ARE LIKELY TO BE PRESENT IS EXPECTED TO BE HELD THIRD WEEK APRIL STOP IF YOU HAVE NO OBJECTION WILL YOU KINDLY ADDRESS DIRECTOR OF SILK DIRECTLY SHOULD YOU DESIRE TO FURTHER CORRESPOND IN THIS CONNECTION BEFORE PROPOSED SILK CONFERENCE IS HELD

SILKDIR

Not to be telegraphed.

Sd/-

(S. K. CHAUDHURI.)
DIRECTOR OF SILK
GOVERNMENT OF INDIA
DEPARTMENT OF INDUSTRIES AND SUPPLIES
(SILK DIRECTORATE)
Block No.108, Room No. 100, Church Road.
New Delhi.3, the 29th March 1946.

Copy forwarded by post in confirmation to the Secretary, to the Government of Madras, Development Department, Madras.

(S. K. CHAUDHURI.)
DIRECTOR

16 34

C 1682/D/46

Dev Dept

To U.S.

Action has already been taken on the original of the telegram ~~the Pt. of which is at p/15 of above~~ at pg 9-11 above

The reply from India to the telegram at p/13 above may now be awaited till 15.4.46

* Kenya to be noted in R.D.

H 6/4/46

Asst 6/4/46

M 6/4/46

3

INDIAN POSTS AND TELEGRAPHS DEPARTMENT.

Received here at 8 H. M.

No. 22(47)D/46

X-S-NEWDELHI 8 STE 462 DEVMENT MADRAS

211—TA (1)/46 FROM CHAUDHRUI STOR REFCE YOUR TELEGRAM 231

6820- D /46-6 DATED FIRST APRIL REGARDING SILK PRICES STOP

IDER PRESENT CIRCUMSTANCES KOLLGEL FACTORIES MAY BE ALLOWED TO SEL

HEIR SILK TEMPORARILY AT PRICES BASED ON COST OF PRODUCTION PENDING

DECISION FORTHCOMING SILK CONFERENCE = SILKDIR

The sequence of entries at the beginning of this telegram is—class of telegram, time handed in serial number (in the case of foreign Telegrams only), office of origin, date, service instructions (if any) and number of words.

This form must accompany any inquiry respecting this telegram.

Eden Press, Calcutta—No. 54 (5173/B.224)—8.3.45—25,000 Blks.

Please see above

Dev Dept

11/4/46 Endt 1682 D/46 dt 10.4

Communicated to the D.D.S.

2. The price of Silayam produced at the Silk Factory

and communicated to the P.T.C. [illegible]

[illegible] be fixed [illegible]

9/4/46

To The D.D.S

Copy to P.T.C.

(Price Copy with list attached)

dtd 31

Inspr of Dev

dtd

TELEGRAM EXPRESS STATE

DEVMENT
MADRAS

24210D/44

211-TA(1)/46, FROM CHAUDHURI STOP REFERENCE YOUR TELEGRAM 16820-D/46-6 DATED FIRST APRIL REGARDING SILK PRICES, STOP UNDER PRESENT CIRCUMSTANCES KOLLEGAL FACTORIES MAY BE ALLOWED TO SELL THEIR SILK TEMPORARILY AT PRICES BASED ON COST OF PRODUCTION PENDING DECISION FORTHCOMING SILK CONFERENCE

SILKDIR

Nos to be telegraphed.

Sd/-

(S. K. CHAUDHURI.)
DIRECTOR OF SILK
GOVERNMENT OF INDIA
DEPARTMENT OF INDUSTRIES AND SUPPLIES
(SILK DIRECTORATE)
BLOCK No.108, Room No.100, Church Rd
New Delhi.3, the 8th April 1946.

(action already taken on the original telegram at p17 above)

P. T. O.

Copy forwarded by post in confirmation to the Secretary, Government of Madras, Development Department, Madras.

(S. K. CHAUDHURI.)
DIRECTOR OF SILK.
8th April 1946.

Des. Dept

1

Cyc. 14030 D/46

Sub: Arecanuts - Sorting Machines - Supply of - Co-operative Societies - Payment of enhanced price for Co-operative Projects

Ref: Form No. D2C 14030 D/46 dt. 20.2.46

[Issued as Telegram 14030 D/46 dt 22.2.46] ~~pp~~ pp 9-10 cf

[Fm Simla, New Delhi Telegram dt 92 ta 46 dt 24-2-46] pp 11-13 cf

To 2-S.

Please see the telegram issued to India at pp 9-10 cf and their reply telegram at pp 11-13 cf. The early grain reserves to meet ~~with~~ the need apparently keep of early needs of Ceylon, and need to early for cocoons ~~Draft~~ draft sent to the D.I.C. at p134 cf submitted at p134 for approval. ~~The Draft~~ required at A' on p134 may be awaited till Further communication regd. proposed discussion

12-3-46

13/46. 13.3.46

1340

I understand from the D.I. & C. that the Cocoon position in Kollegal is critical and if no further purchases are made ~~(on which the Mysore prices have to be paid~~ the Kollegal Silk Filatures will have to stop work 6 days hence (they have only 6 days' stock) It will be some considerable time before the Conference suggested by the Government of India can meet

and reach a decision. In the meanwhile we will have to close down the Filatures. Apart from the loss of production we will have the question of unemployment to face. I suggest therefore that we instruct the Director of Industries to buy Cocoons at the ruling prices (on hill prices) and take up the question of raising the "ceiling" again with the Government of India. The Government of India apparently do not realise ~~the~~ our urgency and no importance can be attached to arm-chair suggestions of conferences such as that now made to us.

Finance(Accts-B).

Please see the D.O. from the Director of Industries & Commerce on pp.1-2 C.F. and the telegraphic correspondence with the Govt. of India on pp.9-13 C.F.

In the special circumstances stated, Finance may agree to the proposal of Development Secretary at 'X' above subject to the remark that the amount of increase to be allowed over the ceiling prices may be limited to 7½% as suggested by the Director.

12258

Dev 4.0 14030 D/46-2

ASST. SECRETARY TO GOVERNMENT 1 - MAR 1946 FINANCE DEPARTMENT

The proposal will involve some additional expenditure on the purchase of cocoons which will presumably be recouped through the sale price of silk. ~~If this is not possible and the net expenditure is likely to exceed Rs 1 lakh non-recurring the prior sanction of the Governor General will be required under the section 93 situation.~~ Dev. may be requested to say whether the above presumption is correct.

DVR 1.3.46

The Dev't. Dept may be requested to ask the Director of Industries and commerce to furnish a report on the financial implication of the proposal. MS 2.3.46

Need 2/3

There is no time to get a further report before Delhi

$

The financial implication is obviously a very large loss unless the G.o.I. allow us to put up the price of silks correspondingly, which they have refused. But if the factories are to continue working, there seems to be no option but to pay higher prices for cocoons & insist that India must allow a higher price for silks. It is presumed that the intention of Dept is that 75% above our present controlled prices for cocoons should be paid, as proposed by D.I.C., for the present. This will require amendment of our Cocoon Control Order. Al may see.

Dvd 3.3.46

Dept.

Z

M

UNDER SECRETARY 4 MAR 1946 DEVELOPMENT DEPARTMENT

Fin Secs 12258AB

1.9 3/3/46 3/3/46

Dev Dept

To 2-S.

This file deals with the proposal of the D.D.& C. to allow an increase of 75% over and above the sliding scale of prices for Cocoons, in order to prevent the outflow of Cocoons into Mysore territory and to keep the Filatures at Kollegal going. The reasons for the proposal are given in his D.O. at pp 1-2 cf. This Dept consulted the Govt of India telegraphically as the ceiling prices of Silk will be correspondingly increased for their concurrence to increase the prices of Cocoons. The Govt of India replied by telegram that they are unable to increase their ceiling prices in Silk. It is understood from the D.D.& C. that the stock of Cocoons at Kollegal is sufficient only for six days to work the Filatures and they may have to be closed, if Stock of Cocoons are not coming. It is therefore considered in this Dept that Cocoons may be bought at Mysore prices for the present and the question of increase of ceiling prices for Silk may be discussed later. The Finance Dept. accept this in principle and agree to the increase of 75% over and above the sliding scale of prices for Cocoons as proposed by the D.D.& C. This procedure will not solve the difficulties mentioned regarding shortage of Cocoons indicated at H on p 2 above. The D.D.& C. has to be permitted to purchase the requisite quantity of Cocoons at ruling prices (without reference to the Controlled prices) and any loss arising out of the disposal of Silk at ceiling prices will have to be borne by the Govt so as to avoid closure of the factories and unemployment among Labour.

cf pp 11-13 cf

cf p 1 para above

cf X' & p 3 above

cf Σ' & M' on p 4 above

cf H 7 & cf (7)

The excess paid over the Controlled prices may be treated as loans to the Filature Industry with the approval of the Govt of India. The proposal is to be permitted to purchase Cocoons at ruling prices (without reference to the Controlled prices) and any loss arising out of the disposal of Silk at ceiling prices will have to be borne by the Govt so as to avoid closure of the factories and unemployment among Labour.

4/8/46

Works will illustrate the need to notify a different scale of sliding scale of prices than the Controlled as the position is fluid or a longer one

A on p 1

E

It is viewed for orders that:

(i) That the D.D.& C. may be permitted

to purchase Cocoons at the ruling rates of prices,
the difference between purchase price & Control price
being treated as loss, or

(ii) Whether it will be deemed advisable to allow
only 75% cost of Control price, as suggested by the Mysore Govt
such excess value being treated as loss.

(i) above may be approved for orders

(ii) Draft has been prepared for purchase based on the Legal advice
in the Legal case, but it is not advisable to pursue the matter
for the reasons the D.D.C. have given in the letter dated
& a draft letter in Mysore to the Legal

I agree with Secy. We may try
(ii) first.

To 2-S

With reference to the above in Circulation above, a draft order
is submitted below for approval.

Issued as G.O. 969 MS/Dev d 5.3.46 pp 15-16 of
the D.S.+C, D3 6451/45 d 28.2.46 p 174

To 2-S

Please see the further letter from the D.D.C. at p 17 of
the file. Of the orders issued in G.O. no. 969 MS Dev d 5.3.46 at pp 15-16 of
the request at 'A' on p 17 of, no action on the letter at p 17 of is
necessary. for orders. The letter may be filed

Dev Dt

7-3-1946 Sub: Industries – Sericulture – Prices of Cocoons &c.

To

Please see Govt of India's proposals contained at pp 11-13 of (K) and the Govt orders issued at pp 15-16 of (K) by the Govt of Madras. No information has yet been received from India as regards the proposed arrangements to discuss the prices of Cocoons in relation to the notified Ceiling Prices for Silk yarn. As the supply position of Cocoons at Kolegal continues to be critical, threatening a closure of the factories for want of Cocoons, the Govt of India may be urged to take immediate action. A draft telegram to India is submitted for consideration.

This MR

Secretary

Issue

Sd/- 7/3/46

Sd/- 7/3/46

pp 19-20 of (K) [Issued as telegram no 16820 D/46-1 dt 7-3-46]

No reply has been received from India to the telegram sent on the subject of Cocoon prices. India might again be reminded that a reply to the telegram is awaited.

As orally instructed by Secy a draft note for HE's use at New Delhi for discussion of the subject with the Member of the Govt of India concerned is submitted for consideration.

Sd/- 26.3.46.

Secretary

The draft telegram may be issued.

Issue

x Initialled

Sd/- 26/3

x Issued at p 5 of (K)

HE has left for Delhi.

Sd/- 27/3/46

Draft No 6820 dated 7-3-46 from Madras to Govt of India

A.P.S.G. Lawley's personal telephone (just) to Govt of Delhi 27/3/46

Dw Dept

To 2-S.

Please see the telegram issued to India at pp 1-3/c and India's telegraphic reply thereto at pp 9-11/c. A Draft endt to the D.O.L. is submitted at p 11/c for approval.

2/4/46 It will be seen that the reply is not explicit. It is desirable to ask India to enquire whether their agreement to the [illegible] of Coconuts at European [illegible] Conversion to sale of Silk, Madras/at rates varying from the notified Ceiling prices [illegible] that it is [illegible] Indian may also be [illegible] agents of the proposed Conference well in advance to enable the Govt to prepare its case [illegible] a Draft telegram to Silk Dir' Nawabshah is submitted for approval.

Vide M on p 11 Govt of India now concurs sale of Silk at ceiling prices but wants to consult Mills

Thro' Mr.

30/3/46 — 1/4/46 — 31/3/46

[Issued as Endt 16820-I/46-5 d 4-4-46] p 2/c

[Issued as Telegram 16820-S/46-6 d 1-4-46] p 3/c

[From Silk Dir, Telegram 211-TA(1)/46 d 8-4-46] p 3½/c

To 2-S.

Please see the telegram issued to India at p 3/c and their reply telegram at p 3½/c.

The dates of the proposed Silk Conference have not yet been announced. They may be awaited till 15-4-46. A Draft endt to the D.O.L. is submitted at p 3/c for approval.

Vide p 3½/c

9/4/46 — 9-4-46

Thro' M

[Issued as Endt no 16820-S/46-7 d 10-4-46] p 3/c

2-S.

By Courtesy of Civil Supplies

Mr Arunachalam has been briefed to represent questions [illegible] Silk at the Conference on 16.4.46 and the action regarding that is dealt with in Section. No further action therefore lies in this file. These papers therefore be added to the C.O. at (K).

x another file in M's. Sec.

Close

10/4/46 — 10/4/46